



JENNIFER M. GRANHOLM  
GOVERNOR

STATE OF MICHIGAN

DEPARTMENT OF NATURAL RESOURCES

LANSING



REBECCA A. HUMPHRIES  
DIRECTOR

July 14, 2008

TO: Rebecca A. Humphries, Director

INFORMATION: Natural Resources Commission

Transaction: State Forest Conservation Easement Acquisition  
Traverse City Management Unit – Kalkaska County  
The Flowing Well Tract  
Land Transaction Case #20060176

Purchase: Conservation easement and public access on 1,720 acres – \$3,410,000.00.

Descriptions: Kalkaska County, Excelsior Township, T27N, R06W:  
Section 26: the S ½ of the SW ¼; AND the NE ¼ of the SW ¼  
Section 27: the East ¾  
Section 34: the East ¾  
Section 35: the entire.

Sellers: Flowing Well, Inc., a Michigan Corporation, Lansing, Michigan

Option Expires: August 29, 2008

Stipulations: The Grand Traverse Regional Land Conservancy (GTRLC) to acquire all remaining interest in the offered land.

Reservations: Rights of GTRLC, as specified in Conservation Easement.

Property Taxes: Not applicable for a Conservation Easement. Property will be owned by the GTRLC, a qualified 501(c)(3) charitable organization.

Authority: Part 21, Subpart 11, of Act 451, Public Acts of 1994, as amended

Notice: This item will appear on the Department of Natural Resources' (Department) August 4, 2008 Calendar, and is eligible for approval on August 11, 2008.

Comments: This acquisition involves protection of 1,720 acres of forest and riverfront property, together with the acquisition of public access rights for outdoor recreation. The property is located approximately eight miles east of the

NATURAL RESOURCES COMMISSION

Keith J. Charters, Chair • Mary Brown • Hurley J. Coleman, Jr. • Darnell Earley • John Madigan • J. R. Richardson • Frank Wheatlake

STEVENS T. MASON BUILDING • P.O. BOX 30028 • LANSING, MICHIGAN 48909-7528

[www.michigan.gov/dnr](http://www.michigan.gov/dnr) • (517) 373-2329

**Great Lakes, Great Times, Great Outdoors!**

Village of Kalkaska and is bordered to the east, south and west by State-owned lands, which are managed by the Traverse City Management Unit, and to the north by State Highway M-72 and a block of privately-owned land.

This acquisition is a partnership between the GTRLC, the Department, and the Michigan Natural Resources Trust Fund (MNRTF). As a part of this transaction, the Department will purchase a conservation easement, public access, and timber management rights from the current owner of the property, with the provision that the current owner convey all remaining interest to the GTRLC, which will hold it for conservation purposes.

This riverfront, wooded property is mostly level, with 25 percent of the area being upland and 75percent being occupied by forested lowlands. A small portion of the property contains structures related to an old fish hatchery, trout pond business, hunting camp, and caretaker's cabin. By the terms of the conservation easement, the Department will immediately have the right to demolish all of these structures except for the pole barn and caretaker's cabin. The seller will retain the right to use the pole barn and the caretaker will have the right to use the caretaker's cabin until March 31, 2013. By that date, all personal property must be removed and the sites vacated, after which, the Department may demolish these structures.

The acquisition of a conservation easement over this property will benefit the State's fisheries program. Located within the property are blue ribbon trout streams, including approximately four miles of waterfront along the North Branch of the Manistee River and its tributaries. In addition, the Fisheries Division has determined that the former Flowing Well fish hatchery site is an area that may still be contaminated by whirling disease parasite spores. The public access and management provisions of the conservation easement will permit Department staff to effectively treat the whirling disease spores and provide for public access to the waterways.

The primary purposes of the easement are to protect the natural resources and watershed values; to manage the property as a "working forest;" to retain high quality habitat for native plants and animals; to maintain and enhance the natural features of the property; and provide public access.

Any activity or use which is inconsistent with the purposes of the conservation easement or which impairs the conservation values of the property is prohibited. The easement has the following key provisions:

Property Management. The Property will be managed for natural resource conservation, forest resource production, and public recreation, according to the DNR management planning goals and compartment review procedures. GTRLC will be provided opportunity for input into the management goals.

Development. Except for visitor structures such as trails, signs, kiosks, bathrooms, and parking areas, no residential, commercial, or industrial development is permitted. The Department may designate building sites in the future for construction of buildings related to management of the property.

Timber and Vegetation Management. The DNR will manage timber and vegetation on the property as a "working forest." In certain areas, vegetation may be managed for recreational purposes and scenic views. Any revenue generated from forest management activity will accrue to the DNR.

Public Access. Access for public use is provided. The DNR may allow forms of non-motorized and motorized public access that will not significantly impair the conservation values of the property.

Hunting and Fishing. Hunting, fishing, and trapping are permitted.

Minerals. The DNR will have rights to minerals and mineral production, provided that exploring for, developing or managing surface or subsurface minerals will not have an unreasonably high negative impact on the conservation values of the property.

Baseline Documentation. The GTRLC is to document the resources and condition of the property at the time of acquisition in a "Baseline Documentation Report" which will serve as the objective information baseline for monitoring compliance with the easement.

- Recommendations:
- (1) That purchase of this conservation easement be approved, with payment to be made from the MNRTF, Flowing Well Conservation Easement, Act 153, Public Acts of 2006.
  - (2) That the property be dedicated as part of the Traverse City Management Unit, with the easement to be administered by FMFM, according to terms and conditions specified in the easement document.
  - (3) That the GTRLC complete and provide baseline documentation prior to closing.
  - (4) That the purchase be contingent on acceptable results of a study of environmental and potentially hazardous materials on the property.

(5) That the efforts of the GTRLC in this land protection partnership, as well as its strong support of DNR programs, be recognized with appreciation.

David E. Freed, Chief  
Land and Facilities

Douglas A. Reeves, Acting Chief  
Wildlife

Lynne M. Boyd, Chief  
Forest, Mineral and Fire Management

Kelley D. Smith, Chief  
Fisheries

Arminda S. Koch  
Resource Management Deputy

I approve the staff recommendations.

Rebecca A. Humphries  
Director

---

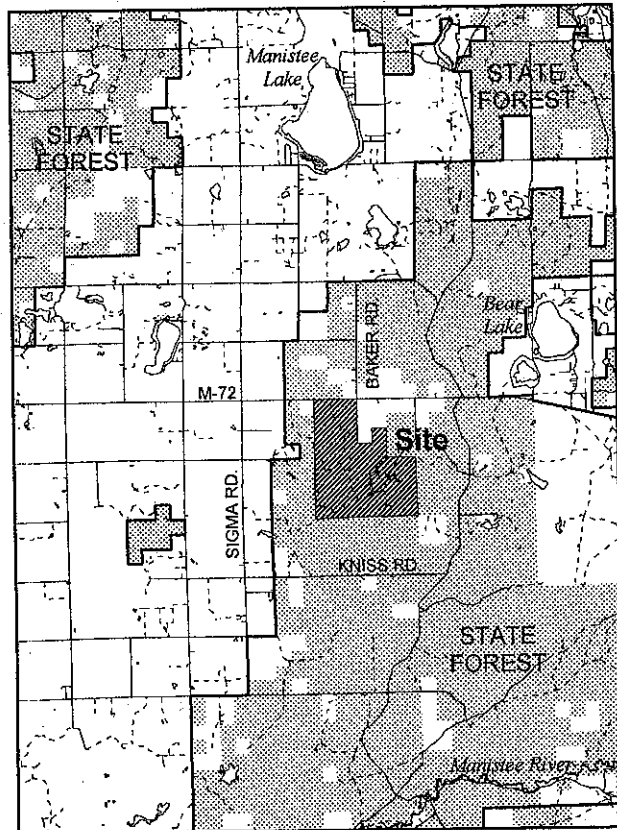
Date Approved

# STATE FOREST CONSERVATION EASEMENT ACQUISITION

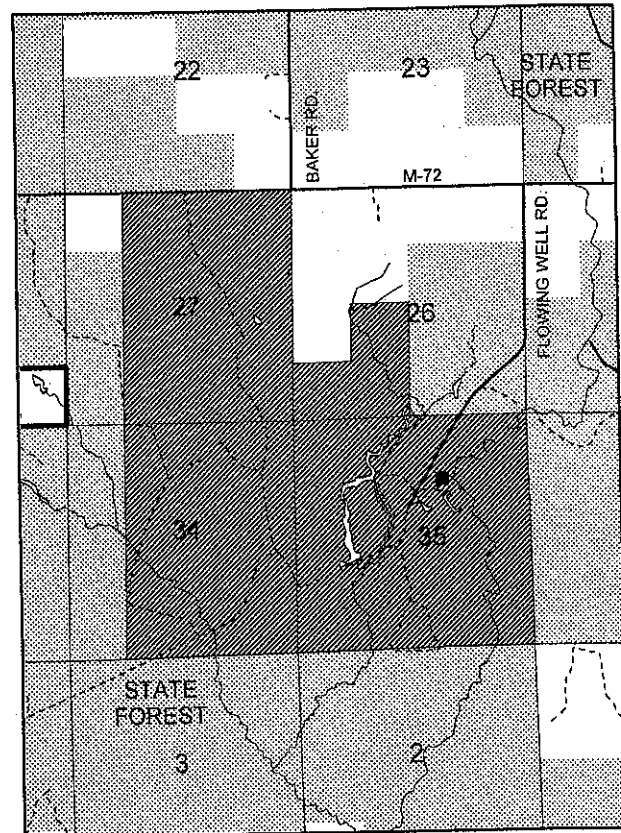
## Traverse City Management Unit - Kalkaska County

### The Flowing Well Tract

#### Land Transaction Case #20060176

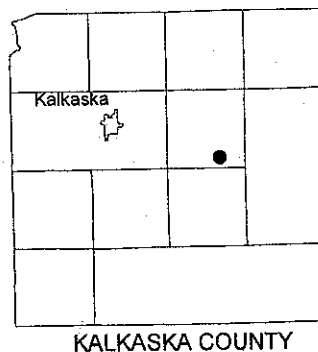


Regional Location



Sections 26,27,34 and 35, T27N, R06W  
Excelsior Township

- State Forest Boundary
- ▨ Conservation Easement Offered to DNR (1,720 acres - \$3,410,000.00)
- Caretaker's Cabin and Pole Barn
- ▤ State Land
- Private Land



KALKASKA COUNTY



DNR-FMFM  
Dnrgis1:\Com Memo\  
memo\20060176  
07-02-08, 8:30 am